GOVERNMENT OF INDIA
SHIPPING, ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:2334
ANSWERED ON:29.08.2007
ALLOCATION OF CESS REVENUE
Tripathy Shri Braja Kishore

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether several States have expressed their discontent over the allocation of cess revenue for the improvement of roads and national highways;

(b) if so, the details in this regard;

(c) whether the Government has set up a task force to look into the issue;

(d) if so, the details thereof;

(e) the criteria being adopted by the Government for allocation of cess revenue; and

(f) the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI K. H. MUNIYAPPA)

(a) The Department of Road Transport & Highways has not received any case of discontent from any State over the allocation of cess revenue for improvement of State roads. Allocation / release out of Central Road Fund to States is made by this Department for the development of State roads only.

(b) Does not arise.

(c) No Sir.

(d) Does not arise.

(e) & (f) At present, cess on both petrol and diesel are levied @ Rs 2.00 per litre. Out of this, the cess @ Re.0.50 levied both on petrol and diesel w.e.f. 1-4-2005 is to be utilized exclusively for the development of National Highways.The distribution of the remaining part of the cess @ Rs 1.50 levied on petrol and diesel is made in accordance with the provisions of Central Road Fund Act, 2000 as under :